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FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 0289

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY

RUCNCIS/CIS COLLECTIVE PRIORITY

RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY

RUEHAK/AMEMBASSY ANKARA PRIORITY 3394

RUEHBJ/AMEMBASSY BEIJING PRIORITY 1212

RUEHKO/AMEMBASSY TOKYO PRIORITY 1079

RUEHIT/AMCONSUL ISTANBUL PRIORITY 1648

RUEHVEN/USMISSION USOSCE PRIORITY 2232

RUEAIIA/CIA WASHDC PRIORITY

RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY

RHEFDIA/DIA WASHDC PRIORITY

RUEKJCS/Joint STAFF WASHDC PRIORITY

RHEHNSC/NSC WASHDC PRIORITY

RUEKJCS/SECDEF WASHDC PRIORIO

RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY

RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000239

SIPDIS

SIPDIS

STATE FOR SCA/CEN AND EEB

PLEASE PASS TO USTDA DAN STEIN

ENERGY FOR EKIMOFF/THOMPSON

COMMERCE FOR HUEPER

TREASURY FOR BAKER/LANIER

E.O. 12958: DECL: 02/14/2018

TAGS: [PGOV](#) [EPET](#) [ECON](#) [TX](#)

SUBJECT: TURKMENISTAN: CITIZENS UPSET OVER GAS PRICE RISE

REF: A. ASHGABAT 0213

[¶](#)B. ASHGABAT 0188

Classified By: CDA RICHARD E. HOAGLAND: 1.4(b), (d)

[¶](#)11. (C) SUMMARY: Contrary to assertions that Turkmenistan's Deputy Chairman of the Cabinet of Ministers for Oil and Gas Tagiyev made during a February 13 cabinet meeting, efforts to raise gasoline prices by almost 800% (reftel) are not going well. As-yet unsubstantiated rumors of unrest focused against hydrocarbon sector facilities are surfacing, and there are reports citizens are having problems getting the coupons that would at least allow them 120 liters of free gasoline a month. However, gasoline stations in Ashgabat seem to be quiet, although lines are longer than usual. A mid-level employee at the Ministry of Oil and Gas has said that there is discussion at the Ministry that the gas price could be lowered to 1,000 manat per liter (from the current 3,100 manat) on March 1 -- and that Tagiyev might lose his job. END SUMMARY.

[¶](#)12. (SBU) Deputy Chairman of the Cabinet of Ministers for Oil and Gas Tachberdi Tagiyev, who is responsible for developing and implementing the plan to raise gasoline prices by almost 800% (reftels), reported during a February 13 cabinet meeting that the roll-out of the new gasoline pricing policy has been "clear and orderly." However, post is hearing reports that implementation is not going well. Post heard from a driver for one of the international school families, who had returned to his home city of Mary to collect his gas-ration tickets, that there was a small scuffle outside Mary local government offices when motorists came to complain about the new gas policy. The protestors were quickly dispersed.

[¶](#)13. (C) We are also hearing sensational but unsubstantiated rumors that angry private motorists set gas stations on fire

in Balkanabat, Dashoguz, and Mary to protest the price increase, and there is one unsubstantiated report that someone in Balkanabat may have damaged a presidential portrait. One USAID local employee reported that a nurse who works for her heard from her family in Mary Province that the driver of a gasoline tanker truck in Mary was attacked and beaten, and the gas stolen. The same nurse reported that she had also heard from her family of an attack on a gas station in Mary in which an attendant was beaten.

¶4. (SBU) Banks are handing out six months worth of gas coupons (February-July), and recipients reportedly are being told that they must use the February coupons by the end of the month, or they will be useless. Lines at the few banks that are giving out the coupons are very long. (NOTE: The government has authorized about one bank per administrative district in Turkmenistan to hand out the coupons. END NOTE.) One individual was told when he went to get his gas coupons February 13 that there were 400 people in line ahead of him. He could wait, if he had the time, but it would be better to come back later. Many are choosing to wait, especially if they filled their car tanks the weekend of February 9.

¶5. (SBU) Lines at Ashgabat gas stations were long on February 14. Following up on a rumor that one gas station had put up a sign that gas was 1,200 manat per liter, an EmbOff found that gas stations are still selling gas at the 3,100 manat-per-liter rate. Some customers are using the "free gas" coupons, but most are still offering up cash. The situation was quiet, although drivers already waiting in line started honking any time new drivers started trying to cut in. When EmbOff asked the gas station attendants whether the

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price was going to decrease, they looked heavenward and said, "If God grants."

¶6. (C) A mid-level official at the Ministry of Oil and Gas told an embassy FSN February 12 that there was some discussion at the Ministry about a possible price decrease to 1,000 manat on March 1. According to this official, Deputy Chairman Tagiyev, whose idea it was to increase the price in the first place, could either be fired or demoted. However, there reportedly has been no discussion of who could replace Tagiyev if he has to take the fall for a highly unpopular policy.

¶7. (SBU) COMMENT: The heavily subsidized gas prices were one of the cornerstones of the extensive social safety net that former President Niyazov used to keep Turkmenistan's population quiescent during the darkest days of his administration. Although many foreign experts have agreed that eliminating the subsidies is necessary for Turkmenistan's economic development, we doubt that their recommendations are behind Tagiyev's proposal about raising the price. More likely is Tagiyev's need as Turkmenistan's hydrocarbons czar to come up with money to help fund refurbishment of old hydrocarbon wells and to drill new ones and other critically needed infrastructure projects. While Post cautions about putting too much credence in the most sensational rumors of unrest until it has been able to confirm the stories -- the behavior being described is highly uncharacteristic for the people of this country, who have endured many troubles over the last 15 years -- the very fact that these rumors are beginning to surface show just how strong the dissatisfaction with these price increases is.

¶8. (SBU) COMMENT CONTINUED: President Berdimuhamedov does seem to have his ear to the ground, however, and he has plenty of options if he judges that the situation is getting out of hand. The easiest would be to fire Tagiyev (putting the blame on him), who is a proficient technocrat without any people skills, and greatly decrease the price. Rumors of Tagiyev's imminent demise have been around for months. This time, they just might be true. Or he might yet again

survive. END COMMENT.
HOAGLAND